



Investment Promotion Authority



At a glance...

Our Roles & Responsibilities

the
Infopack

Investment Promotion Authority



IPA

Your first point of call to do Business in Papua New Guinea



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Introduction

The Investment Promotion Authority (IPA) is a statutory organization, established by an Act of Parliament in 1992, to promote and facilitate investment in Papua New Guinea.

It does this through various programs including the establishment and maintenance of a company/business registry, certification of foreign enterprise, and promotion of investment opportunities in PNG, identification of markets for PNG exports and dissemination of investor-related information about PNG.

The IPA is managed by a Board of Directors on which the business community is well represented.

Business people investigating the investment potential and opportunity in PNG are encouraged to contact the Investment Promotion Authority in the first instance to obtain information about the rules and regulations of conducting business in the country, linking up with the right people in other sectors and private sector on their investment interests and any other assistance that may be required.

Your first point of call to do business here in Papua New Guinea

The Investment Promotion Authority (IPA) was established by an Act of Parliament in 1992 to promote and facilitate investment in Papua New Guinea.

The IPA is managed by a board of directors on which the business community is well represented.

Following is a description of the role and functions of each of the divisions that make up the IPA.

BUSINESS INVESTMENT & EXPORT PROMOTION DIVISION (BIEPD)

The main functions of this division are as follows:

- To inform the business community about investment opportunities in Papua New Guinea, and the export markets available overseas for PNG exports

- To facilitate business introductions through the growing database of domestic and overseas investors.

Business people investigating the investment potential of PNG are encouraged to contact this division first to obtain information about the rules and regulation of conducting business in the country, the best persons to contact about their investment interests, and any other assistance they may require.

BUSINESS INFORMATION & FACILITATION DIVISION (BIFD)

This division is also responsible for conducting research into trade and investment opportunities in PNG for support work on policy formulation by the Ministry of Trade and Industry.

It also collects, processes and disseminates business information on same to both private and government institutions.

BUSINESS REGISTRATION & REGULATION DIVISION (BRRD)

a) Companies Office of Papua New Guinea

The COPNG is responsible for the administration of Papua New Guinea's key business laws such as:

- Companies Act
- Business Names Act
- Business Groups Incorporation Act
- Associations Incorporation Act

Investors should also be informed that there may be other specific laws which apply to their activities.

It is an offence to conduct businesses in PNG without being registered with this Office.

b) Intellectual Property Office of Papua New Guinea

The IPOPNG is established to ensure that, while in the promotion of investment in a friendly regulatory environment, the sovereign interest of Papua New Guinea and its citizens is protected and the interest of the investor or creator of intellectual property is protected from unscrupulous exploitation.

The IPONG administers the Trade Marks Act, the Copyright and Neighbouring Rights Act (2000) and the Patents and Industrial Design Act (2000).

c) Securities Commission of Papua New Guinea

The SCPNG was established on 2 March 1998 after the Securities Act 1997 was passed by the National Parliament in 1997.

Its primary function is to regulate the establishment of stock markets and practices in the country relating to the offering of shares to the public.

CORPORATE SERVICES

This division provides support services to the Authority by way of financial management, administrative services, personnel and human resource management and information technology services.

IPA BRANCH OFFICE

Lae - Morobe Province

Buka - Autonomous Region of Bougainville

Mt. Hagen - Western Highlands Province

Kokopo - East New Britain Province

Investors who are new to Papua New Guinea are encouraged to contact the IPA in the first instances about matters relating to business procedures and rules.



An investor having a glance through the Project Profile booklet printed by IPA. The booklet shows investors some investment opportunities in Papua New Guinea.

BUSINESS INVESTMENT & EXPORT PROMOTION

The Business Investment and Export Promotion Division is the promotional arm of the IPA.

This Division is primarily responsible for providing information on investment opportunities in PNG and on export opportunities to international markets, creating awareness on investment queries from the public and business community, dealing with investment queries from the public and facilitating business introductions through its database of foreign and domestic investors and networking partners.

The Division produces and maintains a number of investor related information materials, including the IPA Website, Investment Papua New Guinea magazine and the Papua New Guinea Exporters Directory.

A list of the publications is available on the website and can be obtained in printed form and on CD ROM.

The division has 3 units and below are the units key functions and responsibilities:

Investment Promotion

The main objective of the Investment unit is to promote Papua New Guinea as an investment destination and provide information on investment opportunities in Papua New Guinea.

It also facilitates both inward and outward trade and investment missions as well as identifies potential investment projects in Papua New Guinea, and packages the projects for promotion to targeted markets, joint venture partners or investors.

This unit is largely responsible for the flagship promotional mandate of the Authority under its enabling Act.

Marketing and Export Promotion

The main objective of the marketing and export unit is to effectively facilitate the collation of market information on export capable enterprises and PNG made products to international markets.

This includes the identification of potential exportable products/PNG made products and facilitating the promotion of exports to targeted international markets.

This function is very crucial because of the recognition that it cannot be separated from the investment promotional part of the Authority's mandate.

Public Relations Unit

The main objective of the public relations unit is to effectively produce and maintain a number of investment related information materials including the maintenance of the IPA Website and production of the Investment Papua New Guinea magazine and the Papua New Guinea Exporter's Directory.

The PR Unit is also responsible for the liaison with the media fraternity and other publication agencies on the production and publication of IPA media articles, advertisements, events/exhibitions and other promotional and information materials including Business Advantage: Papua New Guinea.

The unit also runs a monthly newsletter that informs all Business Investors, Stakeholders,

Government and Private Sector Organizations on economic and business investment trends in PNG.

This information and other related news can also be found on our website.

For further information on Investment & Export Promotion issues please contact:

The Director
Business Investment & Export Promotion Division (BIEPD)
Investment Promotion Authority
Tel: (675) 321 7311 or 321 3900
Wireless Access Ph: (675) 342 5093
Fax: (675) 320 2237
Email: biepd@ipa.gov.pg
Website: www.ipa.gov.pg



The BIEPD division during their work program meeting with Managing Director Ivan Pomaleu OBE at the IPA board room.

CERTIFICATION OF FOREIGN ENTERPRISES IN PAPUA NEW GUINEA

The Business and Investment Facilitation Division (BIFD) is responsible for facilitating investments in Papua New Guinea, in line with Section 28 of the Investment Promotion Act, 1992.

The provision requires all foreign enterprises intending to operate in Papua New Guinea to be certified by the Authority before they proceed to conduct business in the country.

This role is complemented by the research function that looks at conducting research into the investment climate in PNG and compiling data on the investment trends in the economy.

The Division also oversees the operations of the Branches located in Lae, Buka, Mt. Hagen and Kokopo.

Who should apply for an IPA Certificate?

All Foreign Enterprises wishing to conduct business in Papua New Guinea must apply for formal IPA certificate. A foreign enterprise is a business entity which is wholly owned or that is 50 percent or more owned or controlled and managed by non-citizens.

How does a foreign enterprise apply for certification?

A foreign enterprise must firstly register under the Companies Act 1997, which is administered by the Business Registration and Regulation Division (BR & R) of the IPA. A foreign company has two (2) options when registering with the Business Registration & Regulation Division.

The first option is to incorporate a new company in PNG. The relevant forms to complete are Forms 1, 2, 3, 4, and 6 as prescribed under the Company's Regulation. The lodgment fee is K500.00. The other option is for a company that is incorporated (registered) under the laws of another country (overseas) to register as an Overseas Company under the Companies Act 1997.

The relevant form to complete is Form 46 and the prescribed fee is also K500.00. A certificate of Incorporation or registration will be issued if the forms are in order. All foreign companies incorporated or registered under the Companies Act, 1997 must apply within 14 days for Certification under the Investment Promotion Act, 1992.

The prescribed form is an Application for Certification Form 3 and the prescribed fee is K2,000 payable in bank cheque to the Investment Promotion Authority. Depending on the shareholders of the foreign company, supporting documents will differ.

If shareholders of the foreign company are natural persons or individuals, for example, Mr. John Smith of Australia and Mr. Lee Chan of China, the following must be submitted for each individual with the Form 3:

- CV or Personal Profile; Police clearance report or Character check report; Passport copy; Visa copy; and Bank reference or statement from a bank in PNG or overseas.

If however, the shareholders are corporate bodies, for example, ABC Limited and 123 Limited, then the following are required;

- Latest financial statement for the shareholding company, audited where possible;
- Latest financial statement for ultimate holding company, audited where possible;
- Register of shareholders and directors of the companies (top ten if listed on a stock exchange);
- Register of shareholders and directors of the ultimate holding company (top ten if listed on a stock exchange);
- Copies of Certificates of Incorporation;
- Other supporting documents such as brochures, annual reports etc;

The following are required with every application:

- Copy of Certificate of Incorporation or Registration;
- Budget/Cash flow forecast
- Comprehensive Business Plan
- Positions and nationalities of staff to be employed
- Value of initial capital investment; and
- Copies of any agreements, such as Lease Agreements, Purchase Agreements, etc, if any.

Foreign enterprises should also note that there are certain activities which are specifically reserved for PNG citizens only. Please refer to the leaflet on Cottage Business Activities List (CBAL) for further information.

The points listed above are standard information that must be submitted when lodging the Application for Certification, however, the Authority reserves the right to request for any other information deemed necessary for IPA purposes. The proponents are at liberty to submit additional information that will enable the Authority to make a proper judgment on the application.

Approval Process

The Authority is required to make a decision on a complete and correct application within 35 working days. The application, if complete and correct, must first be considered at a Management Certification Committee, which are held every two weeks. After consideration, the Management makes appropriate recommendations on each application to the Board for approval. Board Members must then endorse the recommendations. Upon board approval, a formal IPA Certificate will be issued displaying the name of the foreign Enterprise, the nature of business activity, the principle location of business, other terms and conditions of Certification.

Variation Requirements

Certified enterprises wishing to expand or

diversify their operations must lodge an Application for Variation on the prescribed Form 5. A lodgment fee of K400.00 is payable in bank cheque to the Investment Promotion Authority.

Change in Ownership of a Foreign Enterprise

Where there is a substantial change in ownership of an enterprise, the enterprise must notify the IPA within 14 days from the date of change. Failure to do so will result in a penalty being imposed. The prescribed form to complete is Form 3 and the fee is K2,000.00 payable in bank cheque to the Investment Promotion Authority.

These requirements apply where the change in ownership, shareholding or beneficial ownership or control in a Company:

- Is more than 10 percent in any year; or
- Represents a change of more than 25 percent in the ownership of the Enterprise as from the date of Certification, and does not arise from an alteration in ownership of an enterprise which is a subsidiary of a holding company where the ownership of the holding company does not change and the enterprise remains a subsidiary of that holding company.

Offences

It is an offence under Section 41 of the Act for a foreign enterprise to operate without an IPA certificate, carry on business in a Reserved activity, or fail to comply with a Term or Condition of Certificate as issued. A penalty of up to K100,000.00 may be imposed or a default penalty fine not exceeding K10,000.00.

It is also an offence for a person to make a statement or furnish information that is false or misleading in a material particular. A fine not exceeding K50,000.00 will apply. Whilst all companies must be registered with this Authority, this does not exclude compliance with other laws of the country.

It is important that all foreign enterprises operating in PNG comply with all existing laws of the country as non-compliance with such laws may result in suspension and subsequent cancellation of the IPA Certificate.

Terms and Conditions of an IPA Certificate

An IPA Certificate is issued to an Enterprise subject to certain Terms and Conditions ("T&C"). These will vary depending on the business activities of the enterprise. Compliance with T&C reporting is required on a periodic basis.

For further information on Foreign Enterprise please contact:

The Director
Business Information & Facilitation Division (BIFD)
Investment Promotion Authority
Tel: (675) 321 7311/ 321 3900
Fax: (675) 320 2262
Email: bif@ipa.gov.pg
Website: www.ipa.gov.pg

COTTAGE BUSINESS ACTIVITIES LIST

The Regulations of the Investment Promotion Act 1992 as amended contain a list of business activities which are restricted to citizens and or national enterprises.

The list may be reviewed from time to time. Activities restricted to citizen enterprises only make up the Cottage Business Activities List (CBAL).

The CBAL replaces what used to be called the Reserved Activities List.

Foreign enterprises cannot conduct business in activities listed under CBAL.

AGRICULTURE

- Cultivation and growing of vegetables and other market produce with annual sales of K50,000 or less.
- Farming of animals with annual sales of K50,000 or less.
- Poultry farming with annual sales of K50,000 or less.
- Hunting, trapping and game propagation including related services activities.

FORESTRY, LOGGING AND RELATED ACTIVITIES

- Gathering of wild growing forest materials including balata and other rubber-like gums; cork; lac, resins and balsams; rattan; vegetable hair and eel grass; acorns and horse-chest nuts; mosses, lichens and cut evergreen trees used for festive occasions; saps; bark; herbs; wild fruits; flowers and plants; leaves; needles; reeds; roots; or other wild growing materials.
- Wok about (mobile) sawmill.

WILDLIFE

- Hunting or collecting of non-protected fauna, including insects, shells, animal teeth, tusks, feathers, declared sedentary organisms and similar products and living or dead fauna.

FISHING

- Fishing on a commercial basis in coastal and inland waters. "Coastal" means within three miles off the shoreline.
- Taking of marine or fresh water crustaceans and molluscs. Hunting of aquatic animals such as turtles, sea squirts and other tunicates, sea urchins or other echinoderms and other aquatic invertebrates.
- Gathering of marine materials such as natural pearls, sponges, coral and algae.

MINING

- Alluvial Mining

CATERING

- Mobile food delivery service.

WHOLESALE AND RETAIL TRADE

- Wholesale and retail sale of wild growing forest materials including balata and other rubber-like gums; cork; lac, resins; and balsams; rattan; vegetable hair and eel grass; acorns and horse chestnuts; mosses, lichens and cut evergreen trees used for festive occasions; saps; barks; herbs; wild fruits; flowers and plants; leaves; needles; reeds; roots; or other wild growing materials.
- Retail sale through stalls, tucker shops and

markets.

- Wholesale and retail sale of secondhand clothing and footwear.
- Retail sale carried out from a motor vehicle or motorcycle.
- Wholesale and retail sale of handicrafts and artifacts.
- Repair of footwear when not done in combination with manufacture or wholesale or retail of these goods.

OTHER COTTAGE BUSINESS ACTIVITIES

WEAVING

- The activity includes, but is not limited to, weaving of canes products, textiles, baskets, nets, dishes, ropes and bags that are saleable at home, street markets or retail outlets on a fee.

BILUM MAKING

- Making of string bags (bilums) from traditional bush ropes and cottons taking traditional and contemporary designs that are saleable at home, street market or retail outlet on a fee.

KNITTING

- The activity includes knitting of textiles, wearing apparels, cloth, garment, designs, fabrics and decorations that are saleable at home, street market or retail outlet on a fee.

ART AND CRAFT

- All sorts of handicrafts and artistic designs that are saleable at home, street market or retail outlet on a fee.

CARVING

- Wood carvings and sculptures on a fee (contract) or assorted carvings that are saleable at home, street market or retail outlet on a fee.

POTTERY MAKING

- All sorts of pottery products including clay pots, cups, mugs, dishes, plates, sculptures and other art forms that are saleable at home, street markets or retail outlet on a fee.

PAINTING

- All sorts of painting in any shape, type and form including portrait paintings, screen paintings, sand paintings, oil paintings saleable at home, street markets or retail outlet on a fee.

SCREEN PRINTING

- Screen printing of designs including emblems, logos, traditional and contemporary art forms, commemorations and special events on apparels including laplaps, shirts, T-shirts and other garments and textile materials, suited to the event, situation or purpose they relate that are saleable at home, street markets or retail outlet on a fee.

SEWING

- Sewing of garments, textile materials, wearing apparels, cloths and fabrics that are saleable at home, street market or retail outlet on a fee.

JEWELLERY MAKING

- Making of simple jewellery products including necklaces, ear rings, rings, arm bands, primarily from sea shells, tusks and beads for sale at home, street markets or retail outlet on



a fee.

BAKING

- Baking of fresh bakery products including bread loaves, cakes, pies, cookies and scones saleable at home, street market or retail on a fee.

COFFEE PULPING

- Coffee pulping using manual pulping machine with the beans saleable at buying points or at coffee depots.

HUNTING OF CROCODILES AND PROCESSING OF SKINS

- Hunting and processing of crocodile skins for sale at established market outlets.

OPERATION OF TYRE REPAIR SERVICE

- Operation of small Tyre Repair Shops, where not done as incidental to the core business of Maintenance and repairs.

For further information on the CBAL please contact:

The Director
Business Information & Facilitation Division (BIFD)
Investment Promotion Authority
Tel: (675) 321 7311/ 321 3900
Fax: (675) 320 2262
Email: bif@ipa.gov.pg
Website: www.ipa.gov.pg

The Intellectual Property Office of Papua New Guinea (IPONG) is the Administrative centre of The administration of the Intellectual Property system in PNG

Formerly, the office was known as the Trade Marks Office because of the administration of the Trade Marks Act 1978 Chapter 385.

In 1999 the Government approved the establishment of the IPOPNG within the Investment Promotion Authority (IPA) as part of the Business Registration and Regulation Division. The Office is headed by a Registrar.

In Papua New Guinea, the only IP rights that existed before then were the Trade Marks Chapter 385 and the Copyrights Act.

Of the two legislation, only the Trade Marks Act was operational.

In June 2000, the IPR Bill which includes the Patent & Industrial Designs and Copyright and Neighboring Rights were passed by parliament and certified by the National Executive Council on 08 November 2000 and 19 January 2001 respectively.

IPOPNG administers Trade Marks, Patents and Industrial Designs. The National Cultural Commission of Papua New Guinea administers the copyright and neighboring rights legislation.

The Office plays a coordinating role in consultation with other enforcement agencies like Customs (Internal Revenue Commission), the Judiciary, Attorney General and the Police in the administration and enforcement of the IP laws.

World Intellectual Property Organization

IPOPNG is a member of the World Intellectual Property Organization (WIPO).

WIPO assists developing countries to understand the importance of intellectual property in trade and investment.

WIPO provides technical assistance as well as helps to build human resource of an IP Office by conducting training and seminars.

PNG has benefited from all of these assistance and Continues to work closely with WIPO to build an effective administration and enforcement system for IP in PNG.

Intellectual Property - Basic Definitions



Patent -

An exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a

new technical solution to a problem.

A patent provides protection for the invention to the owner of the patent for a limited period, generally 20 years.

Trademark -

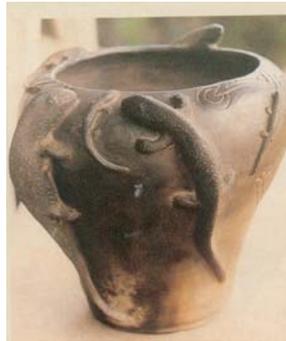
A trademark of brand-name is a distinctive sign which identifies certain goods or services as those produced or provided by a specific person or enterprise.



The period of protection for a trademark varies, but can be renewed indefinitely.

Industrial Design -

An industrial design, or simply a design, is the ornamental or aesthetic aspect of an article produced by industry or handicraft.



Registration and renewals are provided for, in most cases, up to 15 years.

Copyright and Related Rights -

Copyright is a legal term describing rights given to creators for their literary and artistic works (including computer software).



Related rights are granted to performing artists, producers of sound recordings and broadcasting organizations in their radio and television programs.

Geographical Indications -

A geographic indication is a sign used on goods that have specific geographical origin and often possess qualities or a reputation that are due to the place of origin.

Trade Secrets / Undisclosed Information -

These are protected information which are not generally known among, or readily accessible to, persons that normally deal with the kind of information in question; has commercial value because it is secret; and has been subject to reasonable steps to keep it secret by the

person lawfully in control of the information.

For more information contact us at:

Level 1, IPA Haus, Munidubu Street, (Corner of Lawes Rd & Champion Pde) Konedobu, Port Moresby

P O Box 5053, BOROKO 111, National Capital District, Papua New Guinea

Telephone: (675) 321 7311 / 321 3900

IPO Switch: (675) 308 4432

Fax: (675) 321 5155

Email: ipong@ipa.gov.pg

Website: www.ipong.gov.pg

The Companies Office of Papua New Guinea (COPNG) is responsible for the administration of PNG's key business legislation. These include: **Companies Act 1997**, Business Names Act, Business Groups Incorporation Act, Associations Incorporation Act.

There are other laws and regulations which will also affect investors. These include laws of the National Government on areas such as foreign exchange, taxation and customs, **licenses** and permits for various activities such as mining and petroleum exploration, agriculture, fisheries, forestry and industrial activities. Provincial Governments and urban authorities also issue various **licenses**. It is the responsibility of investors to ensure they comply with the respective laws as well as the Investment Promotion Act 1992.

Services

The Office registers business names and incorporates companies, business groups and associations. It also monitors compliance of the respective legislations the Registrar administers.

Functions

The division maintains a national registry of all companies, associations, business groups and business names in Papua New Guinea.

The Registry is open to the public to conduct searches on companies, associations, business groups and business names and to obtain copies of registered documents. The office also provides respective forms for registration of the respective business entities and other forms for compliance purposes.

Why register a Business Name?

There are several reasons why a business name must be registered before conducting an activity under a name. It is an offence under the Business Names Act for any person to conduct business activity using a name other than their own.

If a business, other than a person's own name, is used to conduct a business activity, the same must be registered with the Registrar as failure would amount to an offence.

Also it is important on the part of the proponent to register a business name because a name goes along with good will and it has a property in itself.

The business name is important to customers or clients and hence one who registers a business name owns that name and no one else can use that name to conduct business activities.

If the latter occurs, the registered owner of the business name has the right to take legal action against anyone who uses that name.

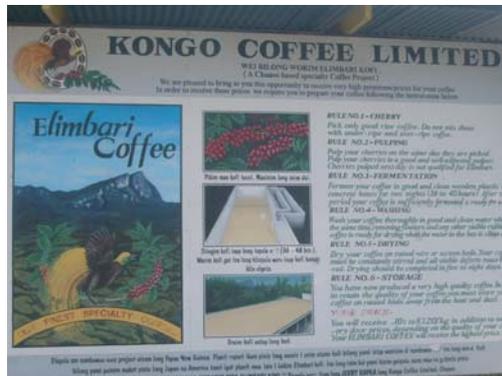
Business Names are usually registered within three (3) days upon receipt of a completed Form 1 under the Business Names Regulation.

A business name must be renewed every three (3) years.

Why register a Company?

It is a requirement of the Companies Act 1997 that before any person can form a company, it must first be registered with the Registrar of Companies.

A company upon registration becomes a legal entity with corporate legal status personally



separate from its shareholders. Hence, the company may acquire, hold, or dispose of property, and can sue or be sued just like natural persons.

A company incorporated overseas that commences to carry on business in Papua New Guinea must apply for registration as an overseas company within one month. An overseas company that fails to apply for registration as an overseas company under the Companies Act 1997 commits an offence and the company and every director can be prosecuted.

How is the company registered?

In the case of a local company, it is registered by the proposed shareholders and directors making an application in the correct forms to the Office of the Registrar of Companies.

In the case of an overseas company, it may obtain registration by making an application using the appropriate forms.

If foreign individuals including corporate entities who want to incorporate a company in PNG need to incorporate in the same manner as citizens but with an extra fee.

Investors are advised to seek independent professional advice about forming legal structures that will best suit their needs.

What are the obligations of a company after registration?

A company has an obligation to report its activities annually. It does this by submitting an Annual Return to the Office of the Registrar of Companies.

It must also lodge with this Office, information concerning any changes in directors, secretaries and number of shares on issue and other matters.

In addition, there are other legislative requirements by other agencies and professional independent advice must be sought.

What are the penalties for non-compliance?

Failure to comply with the legislations administered by the Companies Office may result in administrative penalties or prosecutions that may follow jail sentences or fines or both against company officials and the company itself.

The latter can only be fined. Also the company can be deregistered. The nature of penalty, whether administrative or others, and deregistration of a company depends on the severity of the offences.

What is the difference between an overseas company and a PNG – incorporated company?

A foreign or an overseas incorporated company is a company that is incorporated overseas but registered in PNG as an overseas company.

Once the overseas company is registered in PNG, the PNG law applies to its operations in the country as well as compliance requirements under the laws administered by the Registrar of Companies apart from the laws applicable in its country of incorporation with respect to compliance requirements in that country.

A PNG incorporated company has Papua New Guinea as its place of incorporation and is solely subject to the laws of PNG. This can be a company incorporated by either foreigners or citizens.

The overseas company, after registration with the office of the Registrar of Companies will also be required to be certified as a foreign enterprise by the Investment Promotion Authority in accordance with the Investment Promotion Act 1992. This also apply to companies incorporated in PNG but owned or managed and controlled by foreigners.

Are there any fees involved in registering a company?

The Companies Regulation 1998 sets out the relevant fees involved in incorporation or registration of a PNG or an overseas (foreign) company. Investors should also note that the incorporation or purchase of a company will incur professional fees apart from any fees for registration or considerations involved in purchase of a company.

For further information contact:

The Registrar of Companies
Business Registration Office
PO Box 1281, Port Moresby, NCD
Papua New Guinea
Telephone: (675) 321 3900
Facsimile: (675) 321 3049
Email: registrar.companies@ipa.gov.pg
Website: www.ipa.gov.pg

The Securities Commission of Papua New Guinea (SCPNG) was established in March 1998.

The SCONG is vested with the regulatory and enforcement powers and functions under the Securities Act 1997, the Takeovers Code 1998 as well as certain provisions of the Companies Act 1997 which relate to prospectuses, offering of shares to the public and other related matters.

In brief, the SCPNG's primary function is to regulate the establishment of stock markets and practices in the country relating to the offering of shares to the public.

SCPNG & POMSOX

The Securities Commission of Papua New Guinea is the only body in PNG which gives approval to persons or corporate bodies to conduct business as a stock exchange as well as regulating their activities.

It also has powers to prohibit trading in particular securities where it forms the opinion that it is necessary to do so to protect persons buying or selling securities or in the interest of the public.

It must be stated that the SCPNG does not have a proprietary interest in the Port Moresby Stock Exchange (POMSoX), nor does it have any role or connection with the administration and / or operation of POMSoX.

POMSoX is a private company owned and operated by its members.

The trading of shares and transactions are made by the stock brokers who are members of the stock exchange.

The stock exchange is merely a "market place" where shares are bought and sold.

POMSoX regulates the membership and listing qualifications, discipline, trading system and practices and other self-regulatory principle.

SCPNG does not unnecessarily interfere or exert its regulatory functions over the stock exchange and its members.

SCPNG & IOSCO

SCPNG was admitted as a member of the International Organisation of Securities Commissions (IOSCO) in 1997.



IOSCO is a body constituted by securities commissions throughout the world. It has a head office in Sweden.

IOSCO conferences provide the forum and opportunity for member organizations like SCPNG to discuss issues and development as well as share ideas about the regulation of securities markets and intermediaries.

Such conferences have been of great benefit to SCPNG particularly due to the fact that the concept of securities markets and practices and stock exchanges is a new idea in PNG, and the regime needs to be developed with experiences learned from other developed markets and regulatory regimes.

INVESTGATION & PROSECUTION

Due to its location within the BRR Division of the IPA, the SCPNG is headed by the Deputy Registrar of Companies - Legal and Compliance, who is a lawyer by profession.

Working under him are four (4) other legal officers and one stock exchange monitoring officer.

Much of the work done at SCPNG is on the investigation and prosecution functions of IPA

under the IP Act and that of the Registrar of Companies under the Companies Act 1997.

For more information please contact us on the details below:

IPA Haus, Level 2, Munidobu Street, (Corner of Lawes Rd & Champion Pde) Konedobu, Port Moresby

P O Box 1281
Port Moresby National Capital District 121,
Papua New Guinea
Tel: (675) 321 3900 or 321 7311
Fax: (675) 321 7560
Email: securities.commission@ipa.gov.pg
Alternative email: brrd@ipa.gov.pg



How to start up your Business in PNG

Quick Start Guide for Registering and Certifying a Foreign Business in Papua New Guinea

All foreign business intending to conduct business in PNG must complete two steps in the following order:

Procedure	Processing Time	Cost
1. Registration of a New or Overseas Company	Between 24 hours to 3 weeks	500 Kina
2. Certification of a Foreign Company	Between 2 weeks and 5 weeks	2000 Kina

Steps to Registering a New Company

Step One: Download or collect the following forms from www.ipa.gov.pg or from the Companies Office.

- Form 1: Application for Registration of a Company
- Form 2: Consent of Directors of Proposed Company
- Form 3: Consent of Secretary of Proposed Company
- Form 4: Consent of Shareholder of Proposed Company
- Form 6: Application for Reservation of a Company Name

Step Two: Complete all forms and lodge all forms plus payment of 500K by cheque made out to the Registrar of Companies at IPA by either:

- 1) Mail
- 2) In person at ground floor IPA Haus, Konedobu
- 3) Through an Agent

Please note: Forms which are not fully completed will be rejected resulting in a delay in processing time.

Step Three: Receive registration by the following methods:

- 1) Mail to the address listed in Form 1
- 2) Through your Agent
- 3) Collection at ground floor IPA Haus, Konedobu

Please note: Processing times vary between 24 hours and 3 weeks from the time of submission of completed applications.

Need Help? Contact us via:

- 1) Email: brrd@ipa.gov.pg
- 2) Telephone: +675 321 7311 or +675 321 3900 or +675 308 4444
- 3) Fax: +675 320 0262 or +675 320 2237 or +675 321 2819
- 4) In person at the Companies Registration help desk on ground floor IPA Haus, Konedobu

Steps to Registering an Overseas Company

Step One: Download or collect the following form from www.ipa.gov.pg or from the Companies Office.

- **Form 46: Application for Registration of Overseas Company**

Step Two: Complete and lodge form plus payment of 500K by cheque made out to "IPA"

to the Companies Registration Unit by either:

- 1) Mail
- 2) In person at ground floor IPA Haus, Konedobu
- 3) Through an Agent

Please note: An incomplete form will be rejected resulting in a delay in processing time

Step Three: Receive registration by the following methods:

- 1) Mail to the address listed in Form 46
- 2) Through your agent
- 3) In person at ground floor IPA Haus, Konedobu

Please note: Processing times vary between 24 hours and 3 weeks from the time of submission of completed applications.

Need Help? Contact us via:

- 1) Email: brrd@ipa.gov.pg
- 2) Telephone: +675 321 7311 or +675 321 3900 or +675 308 4444
- 3) Fax: +675 320 0262 or +675 320 2237 or +675 321 2819
- 4) In person at the Companies Registration help desk on ground floor IPA Haus, Konedobu

Steps to Certify a Foreign Business

Step One: Download or collect the following form from www.ipa.gov.pg or from the Business Information and Facilitation Division.

- **Form 3: Application for Certification**

Step Two: Submit the following supporting documents depending on the shareholders of the Foreign Company. The supporting documents will differ depending on the shareholders of the Foreign Company.

For example: If the shareholders of the foreign company are natural persons or individual, e.g: Mr John Smith of Australia or Ms/Mrs Lee Chan of China, the following must be submitted for each individual with Form 3:

- CV or personal Profile,
- Police Clearance Report or Character Check Report,
- Passport copy,
- Visa Copy (if domiciled in PNG);
- Work Permit copy (if employed in PNG) and,
- Bank Reference or Statement from a bank in PNG or Overseas.

If, however, the shareholders are corporate bodies, e.g, ABC Limited or DEF Limited, then the following are required for each company:

- Latest financial statement for the shareholding company, audited where possible,
- Latest financial statement for the ultimate holding company
- Register of Shareholders and directors of the companies (top ten if listed on a stock exchange)
- Copies of Certificates of Incorporation
- Other supporting documents such as brochures, annual reports etc.

All applications must include the following supporting documents:

- Copy of Certification of Incorporation or Registration
 - Budget/Cash flow forecast
 - Comprehensive Business Plan
 - Positions and Nationalities of Staff to be employed
 - Value of initial capital investment and
 - Copies of agreement, such as Lease Agreements, Purchase Agreements etc if any.
- IPA reserves the right to request for other information deemed necessary for IPA purposes.

Step Three: Completed forms, supporting documents, plus bank check of 2000K made out to "IPA" can be lodged through the following methods. Cash payment will only be accepted if the applicant does not have a local bank account.

- 1) Mail
- 2) In – person at 1st floor IPA Haus, Konedobu
- 3) Through an Agent

Please note: An incomplete form or missing supporting documents will result in a delay in processing time.

Step Four: Receive certification by the following methods:

- 1) Through your agent
- 2) In person at 1st floor IPA Haus, Konedobu

Please note: Processing time is approximately 5 weeks. If the certificate is not collected, it shall remain in the custody of IPA

Need Help? Contact us via:

- 1) Email: bifd@ipa.gov.pg
- 2) Telephone: +675 321 7311 or +675 321 3900 or +675 308 4444
- 3) Fax: +675 320 0262 or +675 320 2237 or +675 321 2819
- 4) In person at the Business Information and Facilitation Division at 1st floor IPA Haus, Konedobu

Mt. Hagen Office

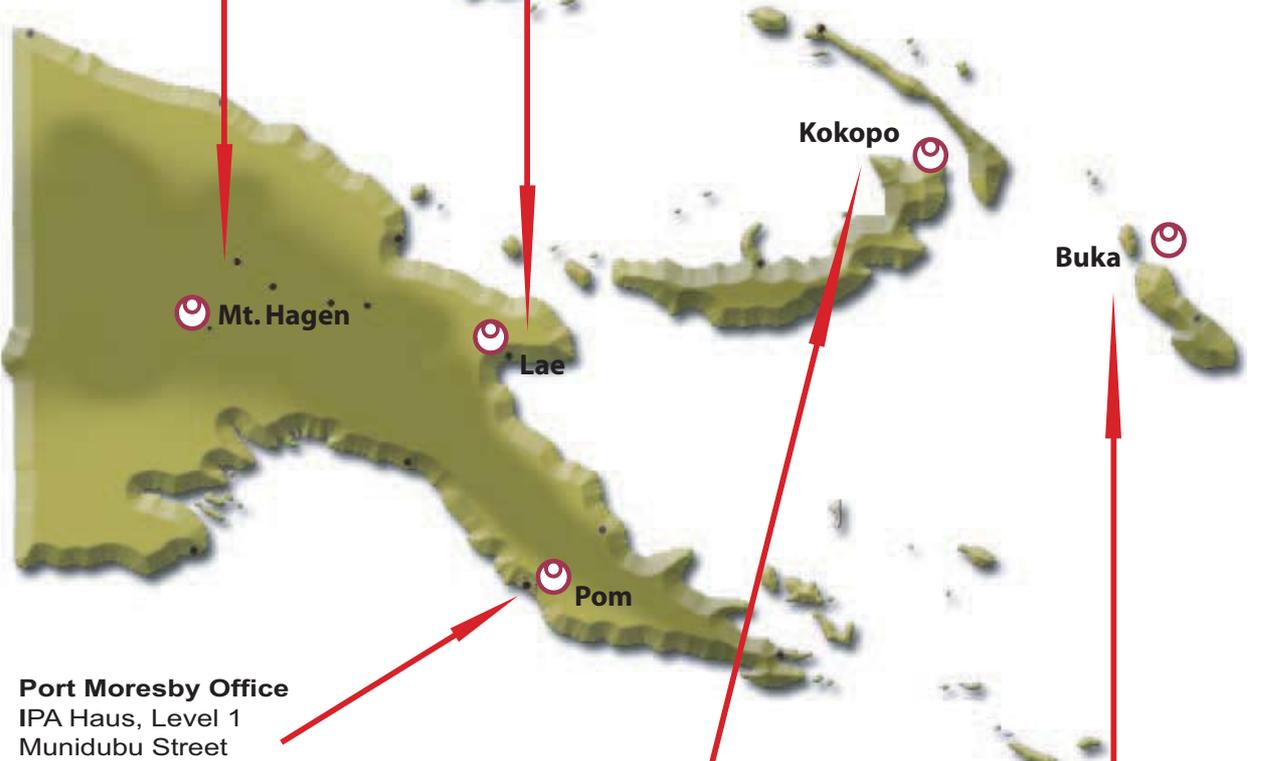
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Lae

Pom

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Kokopo Office

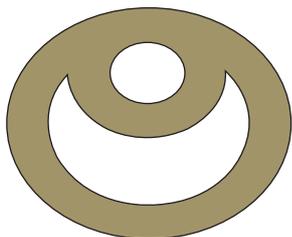
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IPA

Investment Promotion Authority